



## City of Wheatland

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### CITY COUNCIL MEETING STAFF REPORT

Date: October 13, 2009

Agenda Item: 4.1

### Subject: Identity Theft Prevention Program

Prepared by: Rex E. Miller

Approved:   
Stephen L. Wright  
City Manager

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**Recommendation:** That the City Council of the City of Wheatland approve and adopt the Identity Theft Prevention Program as attached and incorporated in the Resolution.

**Discussion:** In response to the growing problem of identity theft nationwide, the Federal Trade Commission adopted new regulations entitled "Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003. Under Red Flag Regulations, creditors with covered accounts must adopt an Identity Theft Program that complies with these regulations. The Red Flag Regulations state in summary that a "creditor" is any person who regularly extends, renews, or continues credit or any person who regularly arranges for the extension, renewal, or continuation of credit. "Credit" is defined as the right granted by a creditor to a debtor to defer payment of debt or to incur debts and defer its payment or to purchase property or services and defer payment therefore. A "Covered Account" is an account that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes, that involves or is designated to permit multiple payments or transactions. Therefore under these definitions, the City is considered a creditor with covered accounts because the City provides retail utility services and bills in arrears.

The proposed program was drafted from a model program with changes made to meet our local situation and procedures. The Director of Administrative Services is required to review and evaluate the effectiveness of the program on an annual basis and the City Manager is required to submit a report to the City Council.

**Alternatives:**

If the City did not adopt such a policy and require monitoring of personal credit information in its possession, it may be subject to penalties if problems arose and complaints were filed against the City for not safeguarding personal credit information furnished for the purpose of establishing utility accounts.

**Fiscal Impact:**

The City is already complying with most of the requirements of this program so there should be no significant fiscal impact for compliance.

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